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12 February 1957

MEMORANDUM FOR THE RECORD

SUBJECT: Proposed Letters to the President and Key Congressmen Reporting on the Status of our New Building.

1. On 7 February 1957 I discussed the above subject with the Director at which time I reported that the Bureau of the Budget had advised me that insofar as they knew there would be no requests for supplemental appropriations because certain agencies found themselves short of funds to accomplish construction which they had planned previously. (This involved the Central Intelligence Agency, Atomic Energy Commission, Smithsonian Institute, and also the Department of State which, however, is in a little different category from the others.) I advised him that the Smithsonian Institute was about \$12,000,000 short and that the Atomic Energy Commission was also short in an amount which I did not know, but that they needed one additional wing to their buildingat the moment they are planning to leave about 300 people in Washington.... and that to my knowledge neither of these agencies had yet decided whether they would request additional funds during this session of the Congress. I advised him that the Department of State would request funds during the current session. However, while they had received a \$56,000,000 authorization last year they also had received a very small appropriation inasmuch as they would not be able to get it obligated during Fiscal Year 1957; consequently, their request for funds would be in accordance with their original plans, and, as of now, there was no reason to believe that they would not be able to accomplish their purpose within the original \$56,000,000 authorized. In short, it was not possible to tell at the present time whether or not other agencies in comparable situations were going to ask for additional funds during the current session of the Congress. Accordingly, if we made a firm decision not to request additional funds at this time we might preclude any chance we would have of getting in on a supplemental Bill if the other agencies did make such requests.

2. The Director agreed with this and felt that he had discharged his immediate obligations to the Congress through oral discussions with the Chairmen of the House and Senate Armed Services and Appropriations Committees. He concurred in deferring any further written communication with them until we knew more accurately whether there was any chance of getting in on a supplemental request. He did feel, however, that we should write a letter to the President

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acquainting him with the facts in our case and indicated that he would handcarry it to Sherman Adams. I showed him the draft which I had prepared and suggested that we might consider asking for a policy decision rather than just reporting the facts. He believed that it was better not to ask for a policy decision. However, he did have three suggestions which he wanted incorporated into the letter: (a) That we would have to leave approximately 1300 people in the Washington area unless we were able to effect reductions... which we were trying to do; (b) That he had reported orally to the Chairmen of the House and Senate Armed Services and Appropriations Committees on our situation; and (c) That if the President's policy permitted any agency in a comparable situation to request additional funds we be allowed to make such a request also. I advised the Director that I would attempt to clear the substance of this draft with the Bureau of the Budget prior to submitting it to him for signature and dispatch to the President.

14/
L. E. White
Deputy Director
(Support)

DD/S:LKW:laq

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